

**MINUTES
REGULAR MEETING
UTILITY SERVICE BOARD
DECEMBER 17, 2012**

The Regular Meeting of the Utility Service Board of the City of Jasper, Indiana, was held in the Council Chambers of City Hall in Jasper at 7:00 PM on Monday, December 17, 2012.

The meeting was called to order by Chairman Wayne Schuetter.

UPON CALL OF THE ROLL, THE FOLLOWING WERE PRESENT:

Wayne Schuetter – Chairman
Rick Stradtner – Vice Chairman
Mike Harder – Secretary
Doug Schulte – Water Commissioner
Alex Emmons – Wastewater Commissioner
Greg A. Krodel – Gas Commissioner

ALSO PRESENT:

Windell Toby – Electric Generation Manager
Michael A. Oeding – Gas & Water Manager
Ed Hollinden – Wastewater Manager
Bud Hauersperger – General Manager
Renee Kabrick - City Attorney
Ashley Kiefer – Office Manager

ABSENT:

Ken Sendelweck – Electric Commissioner
Jerry Schitter – Electric Distribution Manager

PLEDGE OF ALLEGIANCE (DVD-00:37)

Chairman Wayne Schuetter led the Pledge of Allegiance.

APPROVAL OF MINUTES (DVD-00:58)

Chairman Wayne Schuetter presented the minutes of the November 19, 2012 Regular Meeting and the December 3, 2012 Joint Executive Session Memorandum and there being no corrections or amendments, asked for a motion to approve the minutes and Memorandum. Doug Schulte made a motion to approve the minutes and Memorandum of the November and December meetings as presented. Rick Stradtner seconded that motion. Motion approved, 6-0.

**PETITION TO VACATE PUBLIC UTILITY & DRAINAGE EASEMENT – 400 S. ST.
CHARLES STEET – BROSMER LAND SURVEYING ON BEHALF OF ACCESS
STORAGE NOW, LLC** (DVD-01:30)

Phil Buehler with Brosmer Land Surveying, on behalf of Progressive Investment Company and Access Storage Now LLC, requested a petition to vacate a public utility and drainage easements at 400 South St. Charles Street. At this time, there are 4 existing storage buildings and they are under construction to build additional storage buildings.

Last month, Access Storage Now replatted and purchased an additional 57 feet of land from Jasper Dimension. By doing the replatt, a 20 foot public utility and drainage easement was put around the perimeter of the sub-division. Now they want to vacate the 20 foot public utility and drainage easement so that in the future they can drive through this area without the possible presence of an overhead electric line. There is no electric in the easement now and the Electric Department has no problems with vacating. The Electric Department has access to the area on two other sides at this time. Underground electric lines can always be a future option.

Mike Harder made a motion to recommend to the Common Council the vacation of the public utility and drainage easement at 400 South St. Charles Street. Alex Emmons seconded the motion. Motion approved, 6-0.

2013 CAPITAL EXPENDITURE PLAN – ELECTRIC DISTRIBUTION (DVD-16:17)

Bud Hauersperger, on behalf of Jerry Schitter, entertained questions from the Board on the 2013 Capital Expenditure Plan that was passed out at the November meeting.

Doug Schulte made a motion to approve the Electric Distribution 2013 Capital Expenditure Plan as presented. Rick Stradtner seconded the motion. Motion approved, 6-0.

CENTRAL SUBSTATION PROJECT (DVD-17:41)

Bud Hauersperger explained to the Board that ISC submitted an additional invoice for \$8,000 for the Central Substation project. The original engineering cost was \$38,500. The additional \$8,000 is for building addition work that Chad Hurm, City Engineer, was going to do but did not have time for. They also ran into some unforeseen plans on the existing building. There was a delay to the project due to a wage determination rule, therefore they had to recalculate engineering costs causing more time delay.

Rick Stradtner made a motion to approve the additional payment of \$8,000 for engineering fees to ISC for the Central Substation project. Alex Emmons seconded the motion. Motion approved, 6-0.

JASPER CLEAN ENERGY MONTHLY REPORT (DVD-21:45)

Bud Hauersperger explained the Jasper Clean Energy monthly report for November to the Board. Hauersperger stated there was only one change made to the report for the month of November regarding the lawsuit. The Project continues to monitor the litigation against the City and its impact on the Project and its schedule. The recent decision by the IN Court of Appeals will result in additional delays in the Project schedule.

BILL KAISER – RESOLUTION REGARDING POSSIBLE PURSUIT OF APPEAL TO SUPREME COURT ON DECISION OF APPELLANT COURT IN LAWSUIT (DVD-22:23)

Bill Kaiser with Bingham, Greenebaum, and Doll informed the Board that the deadline regarding the biomass litigation is December 19, 2012. On November 19, 2012 the Court of Appeals remanded the case to the trial court. At this time the City of Jasper and the Utility Service Board does have the right to seek a petition to transfer the case to the Indiana Supreme Court to review the Court of Appeals decision. Kaiser recommends not pursuing the petition to transfer for several reasons. The Indiana Supreme Court does not have to take the transfer once petitioned. Also petitioning for the transfer would be expensive, and would further delay the litigation. Kaiser presented a Resolution to the Board stating the City would not petition to transfer the case to the Indiana Supreme Court.

Doug Schulte made a motion to approve Resolution #USB 2012-19, stating the City would not appeal to the Supreme Court on the decision of the Appellant Court in the lawsuit. Rick Stradtner seconded the motion. Motion approved 6-0.

Chairman Wayne Schuetter stated several facts regarding the costs involved in the biomass litigation. When the lease was negotiated with Jay Catasein, there was a lease option payment agreed upon for \$60,000 per quarter. The reason for the agreement was to provide compensation for the Utility Service Board and the rate payers to maintain the power plant operations until Catasein obtained a power purchase agreement or decided to no longer pursue the project. At this time Catasein is not making payments because of the litigation, which has caused a loss of \$360,000 to date, and gave Catasein more time, with no pressure, to pursue power purchase agreements.

Schuetter said that the lease stated if there were any legal actions taken toward the project that Catasein would not be held accountable for the quarterly payments. He also said it would not be right for Catasein to pay for something that was not his fault. Schuetter stated that to date the litigation, because of Healthy Dubois County/ Kreilein, et al, has cost the USB and the rate payers \$360,000 just from the loss of lease option payments. Every quarter the litigation continues it costs another \$60,000 plus plant operating costs. Schuetter asked Kaiser if there was enough reason to pursue possible litigation to recover lost revenues related to the lawsuit.

Kaiser does feel that the USB and the rate payers have numerous reasons to try and recoup lost revenues from Healthy Dubois County/ Kreilein, et al, due to the litigation.

Schuetter asked the Board for permission for Kaiser to research options regarding legal action to be taken against Healthy Dubois County/ Kreilein, et al, due to their actions regarding the litigation.

Mike Harder made a motion to give Bill Kaiser permission to research legal options and report back to the Board with his findings regarding the lease option payments lost due to the litigation. Greg Krodel seconded the motion. Motion approved 6-0.

ELECTRIC PLANNING COMMITTEE REPORT (DVD- 36:08)

Bud Hauersperger, General Manager, stated that the Electric Planning Committee did not meet during the past month.

2013 CAPITAL EXPENDITURE PLAN – GAS & WATER (DVD-36:15)

Mike Oeding entertained questions from the Board on his 2013 Capital Expenditure Plan that was passed out at the November meeting.

Alex Emmons made a motion to approve the Gas and Water 2013 Capital Expenditure Plan as presented. Doug Schulte seconded the motion. Motion approved 6-0.

RESULTS OF CHEMICAL QUOTE OPENING (DVD-37:16)

Mike Oeding presented a comparison (see attached) of the chemical quotes that were opened at the November meeting and briefly reviewed the low quotes and/or the most responsive quotes as follows:

PAC Flocculent – Brenntag Mid South
Lime – Mississippi Lime
Carbon – Brenntag Mid South
Chlorine – Brenntag Mid South
Hydrofluosilicic Acid – Chemical Resources
Cairox Potassium – Univar USA, Inc.
Algicide – Water Solutions
Sodium Bisulfite – Brenntag Mid South

There were two exceptions to the bid explanation. American International's product is not Cairox Potassium, therefore Univar USA, Inc. was chosen with the higher quote. The second exception was the higher iodine content on the carbon from Brenntag Mid South. The higher iodine content in the carbon actually absorbs more impurities than the lower priced carbon. By using a smaller amount of the higher priced product it actually costs less than using more of the lower priced carbon from Chemical Resources.

Mike Harder made a motion to approve the low quotes for chemicals, with the two exceptions as noted, for 2013 as presented. Greg Krodel seconded the motion. Motion approved, 6-0.

PROPOSAL FROM MIDWESTERN ENGINEERS FOR PRELIMINARY STUDY OF UV DISINFECTION AT FILTRATION PLANT (DVD-39:10)

Oeding informed the Board that there were problems with recent trihalomethane testing results at the plant. Oeding contacted Midwestern Engineers regarding the problem.

Derick Wiggins with Midwestern Engineers informed the Board that UV disinfection could reduce total chlorine needed in water which would reduce disinfection byproducts. Standards are becoming stricter and UV filtration may help meet future requirements. Midwestern would like to do a study which would include looking at the existing facility, looking at the plans, recommending a location for the improvements, looking at the piping required, and the electrical

revisions. They would then come up with an estimated cost for improvements. The cost for the preliminary engineering is a not-to-exceed \$5,000.

Rick Stradtner made a motion to approve the proposal for the preliminary study of UV disinfection at the filtration plant from Midwestern Engineers for not-to-exceed \$5,000. Doug Schulte seconded the motion. Motion approved, 6-0.

NORTH WATER TOWER PROJECT UPDATE (DVD-44:10)

Oeding informed the Board that the North Water Tower project is complete and the tower is back on-line. Clean up and landscaping are the only things that still need to be finished. Utility Service Company requested a time extension on the project.

Derick Wiggins with Midwestern Engineers explained that the contract substantial completion date was November 21, 2012. Utility Service Company is requesting a 21 day extension due to the delay on the mixing system and piping which was installed a week ago. The piping had to be painted and because of water emersion and curing time it took an extra 21 days until it could be installed. Once Utility Service received the piping, they installed it over the weekend to finish the project.

Alex Emmons made a motion to approve the 21 day extension for Utility Service Company on the North Water Tower project. Rick Stradtner seconded the motion. Motion approved, 6-0.

UPDATE ON GRANT APPLICATION FOR 3RD AVENUE WATER MAIN REPLACEMENT PROJECT (DVD-48:09)

Oeding informed the Board that the grant application for the 3rd Avenue Water Main Replacement project was resubmitted on time. Modifications were made to the grant and it was submitted under a different criteria. Oeding said that we should know if we receive the grant funding by the end of the year.

GAS PLANNING COMMITTEE REPORT (DVD-48:54)

Greg Krodel, Chairman of the Gas Planning Committee, stated the committee did not meet during the past month.

WATER PLANNING COMMITTEE REPORT (DVD-48:59)

Doug Schulte, Chairman of the Water Planning Committee, stated the committee did not meet during the past month.

2013 CAPITAL EXPENDITURE PLAN – WASTEWATER (DVD-49:05)

Ed Hollinden entertained questions from the Board on his 2013 Capital Expenditure Plan that was passed out at the November meeting.

Alex Emmons made a motion to approve the Wastewater 2013 Capital Expenditure Plan as presented. Doug Schulte seconded the motion. Motion approved, 6-0.

HOLY FAMILY (I & I) PROJECT SUMMARY FOR EAST TERRACE (DVD-49:50)

Hollinden informed the Board that the I & I project for East Terrace Avenue was completed this year in August. He explained that the West Terrance homes were worse than East Terrace. Fourteen out of 22 homes failed inspection. Average repair cost per home owner was \$750. This is the third street in the area inspected. Thirty-nine out of the 50 total homes failed inspection.

WASTEWATER PLANNING COMMITTEE REPORT (DVD-52:02)

Alex Emmons, Chairman of the Wastewater Committee, stated the committee did not meet during the past month.

ANNUAL BAD DEBT WRITE-OFF (DVD-52:10)

Ashley Kiefer stated that this year's annual bad debt write-off amount totals \$16,769.59, out of an estimated \$38,250,000 in sales for 2012. This amount represents .044% of sales. These amounts are slightly higher than last year.

Rick Stradtner made a motion to approve the request to write-off the bad debts for 2012 in the amount of \$16,769.59. Doug Schulte seconded the motion. Motion approved, 6-0.

UPDATE ON COLLECTION ACTIVITIES (DVD-53:42)

Kiefer updated the Board regarding 2012 collection activities for the Jasper Municipal Utilities. In 2012, 67 collection letters were sent out by the Jasper Municipal Utilities office. Of those 67 letters, 43 small claims complaints were filed.

The total amount collected in 2012 was \$29,547.26. When complaints are filed, court costs get added to them. The court costs collected totaled \$5,718. So, the total amount collected for the Jasper Municipal Utilities was \$23,829.26. The City has been using the Small Claims process since 2007.

Kiefer acknowledged and thanked Mary Huff, Jasper Municipal Utilities employee, for all of her hard work assisting with Small Claims process. Kiefer also thanked previous City Attorneys, Shaneyfelt and Bohnenkemper, and current City Attorney Renee Kabrick for their help in this process.

UPGRADE OF AUDIO-VISUAL SYSTEM IN COUNCIL CHAMBERS (DVD-55:22)

Bud Hauersperger informed the Board that the City is looking into improving the current audio-visual equipment in the Council chambers. The City would like the Utilities to pay 50% of the cost for the improvements. There will be RFP's (requests for proposals) sent out. Hauersperger stated that no commitment is needed at this time. He is just making the Board aware of the situation.

PERMISSION TO START HIRING PROCESS FOR THE GAS & WATER MANAGER & SUBSTATION TECHNICIAN (DVD-57:44)

Hauersperger informed the Board that Wayne Hopf, Substation Technician, will be retiring at the end of January. Hauersperger asked for permission to start the hiring process for the technician position immediately.

Alex Emmons made a motion to give Hauersperger permission to start the hiring process for the Substation Technician position. Mike Harder seconded the motion. Motion approved, 6-0.

Hauersperger also informed the Board that Mike Oeding, Gas and Water Manager, will be retiring July 1st. Human Resources would like a letter from Oeding stating his retirement intentions. Hauersperger asked for permission to start the hiring process for the Gas and Water Manager, contingent upon an official letter from Oeding for the Human Resource Department. Hauersperger will report back to the Board with a plan for an overlap schedule for the hired employee and Oeding.

Rick Stradtner made a motion to give Hauersperger permission to start the hiring process for a Gas and Water Manager, contingent upon a formal letter of retirement from Oeding for the Human Resource Department. Doug Schulte seconded the motion. Motion approved, 6-0.

FINANCE COMMITTEE REPORT (DVD-1:00:27)

Mike Harder reported the Finance Committee had met and reviewed the claims on the Claim Docket.

The Finance Committee recommended approval of the claims as presented.

Rick Stradtner made a motion to approve the claims as presented. Doug Schulte seconded the motion. Motion approved, 6-0.

BOARD MEMBERS (DVD-1:01:12)

Chairman Wayne Schuetter recognized and thanked Mike Harder who has served the Utility Service Board for 12 years, and Greg Krodel who has served the Board for 20 years. They are both retiring from the Board after tonight's meeting.

Chairman Schuetter also recognized and welcomed Dave Hurst, who will replace Mike Harder as an appointment by the City Council, and Keith Masterson, who will replace Greg Krodel as an appointment by the Mayor.

MAYOR (DVD-1:02:42)

Mayor Seitz publicly thanked Mike Harder and Greg Krodel for their service to the Utility Service Board over the years. Mayor Seitz also welcomed Dave Hurst and Keith Masterson to the Board for 2013. He informed the Board that the Council members for the sub-committees for 2012 have all agreed to serve again in 2013, which he is very grateful for.

There being no further business to come before the Board, the meeting was adjourned at 8:03PM upon motion by Greg Krodel and second by Mike Harder. Motion approved, 6-0.

The minutes were hereby approved _____ with X without corrections this _____ day of _____, 2013.

Attest: _____
Secretary Chairman